

Docket No. AUS920040117US1

ABSTRACT OF THE DISCLOSURE

**APPARATUS AND METHOD FOR ALLOCATING RESOURCES BASED ON
SERVICE LEVEL AGREEMENT PREDICTIONS AND ASSOCIATED COSTS**

A method, apparatus, and computer instructions for allocating resources based on predictions of service level agreement (SLA) breaches in order to minimize costs are provided. With the method, apparatus, and computer instructions, a prediction that an SLA will be breached is received from a prediction engine associated with the SLM system. Based on a prediction that an SLA will be breached, a minimum cost analysis is performed to determine if computer resources may be shifted from another service consumer under another SLA to facilitate the service consumer of the potentially breached SLA in order to reduce the cost of the penalty associated with breaching SLAs. If so, resources are reallocated in order to minimize penalties associated with SLA breaches.